Patronage Dividend Deduction (2006 and later tax years)

Corporation's name	Business number	Year	Tax year-end Month	Day	,

- Use this form to claim a deduction from income for payments made to customers for allocations in proportion to patronage (patronage dividends)
 made within the year or within the following 12 months
- Patronage dividends paid to non-arm's length persons are deductible only if the payer is a co-operative corporation or a credit union, or if the
 patronage dividend is a prescribed payment
- · Do not include payments made to member customers in an agency relationship under contractual obligations
- Generally, tax-deferred co-operative shares are particular types of shares that are issued after 2005 and before 2026 by an agricultural co-operative corporation to a person or partnership that is an eligible member of the agricultural co-operative corporation at the time of the issuance, pursuant to an allocation in proportion to patronage

• File this schedule with the T2 Corporation Income Tax F	Return within six months of the end of the t	ax year			
• File an amended Schedule 16 for payments that are de-	ductible in the tax year, but made to custor	mers after filing this schedule			
• For more information, see Interpretation Bulletin IT-362,	Patronage Dividends				
—— Part 1 – Details of patronage dividends	paid and other information —				
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	Member customers	Non-member	customers		
Payments to customers of the year 101		104			
Payments to customers of a previous year 102 105					
Totals 1A		1B			
Were any of the above patronage dividends paid by an accorporation in the form of tax-deferred co-operative share	s?				
Total patronage dividends paid to all customers (total of a	imounts 1A and1B)				
Total business transacted:					
with member customers	110	% 1C			
with non-member customers	111	% 1D			
	Total (line 110 plus line 111)	% 1E			
Net income before patronage dividend deduction			I		
Percentage 1C % x Line 112		=1F			
Note: Keep all documents showing how the payment wa	as made, the date(s) of payment, the date(s) of allocation, and the year(s) of	the customer's patronage.		
Were the patronage dividends calculated at the same rate except to allow for different types, classes, grades or qua	e to all customers (members and non-mem lities of products, or services?	nbers), 200	Yes No		
—— Part 2 – Calculation for agricultural co-c	pperative corporations ———				
Complete this part if you answered yes to the question at	line 150 above. If you answered no, leave	it blank and go to Part 3.			
Patronage dividends paid in the form of tax-deferred co-o	perative shares	209			
Amount 1F × 85%					
Enter line 209 or amount 2A, whichever is less					
Patronage dividends paid in the form of property other that					
Amount used in the calculation of the patronage dividend	deduction of an agricultural co-operative of	corporation			
(amount 2B plus amount 2C)	·······		2D		



—— Part 3 – Calculation of patronage dividend deduction ————————		
Deduction for current-year payments:		
If you completed Part 2, enter amount 2D at amount 3A. Otherwise, enter line 109 from Part 1 at amount 3A.		
Total patronage dividends paid to all customers	<u></u>	3A
If you answered yes to the question at line 200 in Part 1, enter amount 3A at line 113. Otherwise, calculate your patronage dividend deduction for current-year payments as follows:		
Income attributable to member customers business (amount 1F from Part 1)	3B	
Patronage dividends credited to non-member customers of the year (line 104 in Part 1)		
Total (amount 3B plus amount 3C) =	3D	
Enter amount 3A or amount 3D, whichever is less (enter this amount at line 113)	3E	
Patronage dividend deduction for current-year payments	113	
Deduction for amounts carried forward:		
Balance of undeducted amounts carried forward from a previous year	114	
Undeducted amounts transferred on amalgamation or wind-up of a subsidiary	130	
Total (line 114 plus line 130)	<u></u>	3F
Income attributable to member customers business (amount 1F from Part 1)	3G	
Line 113 minus line 104 from Part 1	3H	
Total (amount 3G minus amount 3H) =	>	3I
Portion of amount carried forward that is deductible in the current year (amount 3F or amount 3I, whichever is	less) 115	
Patronage dividend deduction (line 113 plus line 115)	116	
—— Part 4 – Patronage dividends carried forward ————————————————————————————————————		
Amount 3A	4A	
Line 113	4B	
Portion of current-year payments eligible for carryforward (amount 4A minus amount 4B) =	>	4C
Amount 3F	4D	
Line 115	4E	
Portion of carryforward deducted in the current tax year (amount 4D minus amount 4E) =	>	4F
Balance of patronage dividends available for carryforward (amount 4C plus amount 4F)	117	

Part 5 – Calculation of income from an active business carried on in Canada (ABI)	
Active business income (ABI) before patronage dividend deduction	118
If line 118 is equal to line 112 in Part 1, enter the patronage dividend deduction from line 116 in Part 3	5A
If the line 118 is different from amount line 112, complete the following:	
Total patronage dividends (paid to all customers) attributable to the ABI	119
ABI attributable to member customers business:	
Percentage 1C from Part 1 % x Line 118 =	5B
Patronage dividends credited to non-member customers of the year and attributable to income earned from an active business	20
Total (amount 5B plus line 120)	5C
Patronage dividend deduction for current-year payments (enter line 119 or amount 5C, whichever is less)	21
Deduction for amounts carried forward:	
ABI attributable to member customer business (amount 5B)	SD .
Line 121 minus line 1205	SE .
Total (amount 5D minus amount 5E)	>5F
Portion of amount carried forward that relates to the active business carried on in Canada	22
Amount carried forward that is deductible in the current year (enter amount 5F or line 122, whichever is less)	23
Total of lines 121 and 123	
Patronage dividend deduction (enter amount 5A or amount 5G, whichever applies)	5H
Income from active business carried on in Canada (line 118 minus amount 5H) Enter the amount from line 124 at line 400 of the T2 return.	